

GOED Board Meeting Minutes
February 12, 2015 • 10:00 a.m.
Governor's Office of Economic Development
60 E. South Temple, Third Floor

Members Present:	Mel Lavitt, Jerry Oldroyd, Margo Jacobs, Brent Brown, Peter Mouskondis, Clifford White, Josh Romney, Christopher M. Conabee, Sam Granato, Jake Boyer, Bob Frankenberg (P)
Staff:	Theresa A. Foxley, Julia Barnhouse, Eric Nay, Val Hale, Vicki Varela, Benjamin Hart, Maria Hollenhorst, Marshall Wright, Fred Lange, Hillary Bowler, Chase Christiansen, Virginia Pearce, Tara McKee, Michael Sullivan, Vatsala Kaul, Thomas Wadsworth, Tamy Daley, Phil Lundgreen, Dan Royal, Kelleigh Cole, Brad Peterson, Amie Parker, Brett Heimbürger
Visitors:	Todd Brightwell, Jeff Edwards, Commissioner Winterton, Kim Frost, Erin Laney, Susan Eisenman, Christopher Piper, Michael Weinholtz, Megan Holbrook, President Denece Huftalin, Stuart Clason, Natalie Gochnour, Keving Passey, Kevin Wadrof, Jeff Hartley, Wim de Jager, Walt Wilhelm

Welcome

Mel Lavitt welcomed everyone to the February 12, 2015 Board meeting.

Approval of the Minutes

MOTION:

Peter Mouskondis moved to approve the January 8, 2015 minutes. Sam Granato seconded the motion. Motion was carried unanimously.

Presentation - President Denece Huftalin, Salt Lake Community College

President Huftalin thanked the GOED Board for the opportunity to present to them. She stated the core themes of the college: access & success, transfer education, workforce education, and community engagement. Salt Lake Community College, SLCC, currently has 9 locations across Salt Lake County including online courses and currently has 60,000 students. Of these students, 51 % are female, 75% are working students, and 63% receive financial aid of some kind; 56% of all students are first-generation. SLCC is designed to aid students in transferring their education to a university to pursue higher education. 60% of SLCC students transfer to universities such as: University of Utah, BYU, Weber State University, Utah Valley University, and many more. SLCC is also a major supporter of CTE and STEM education.

Non-Discrimination Ordinance Legislation

Michael Weinholtz, Executive Chairman for CHG Healthcare Services, thanked the GOED Board for their time and consideration. CHG Healthcare is currently headquartered in Utah and went from 150 Utah-based employees to 1000 Utah-based employees. The company has grown because of their talented workforce here in Utah. Michael expressed that a non-discrimination law be passed statewide in order to address the diversity in the workforce in the state. He believes that it will be very beneficial not only to CHG Healthcare but to the business environment as a whole.

Megan Holbrook, Senior VP of Zion's Bank, drafted the original letter to request that a non-discrimination bill be drafted to present during the legislative session. Zion's Bank is a top supporter of the bill, SB100, and they are working with Senator Urquhart to have it presented during the legislative session.

Motion: Margaret Lasecke-Jacobs motioned to endorse laws, ordinances, or regulations that provide protection against discrimination based on sexual orientation or gender identity, provided that such laws, ordinances, or regulations safeguard the religious rights of an individual or religious organization. Jerry Oldroyd seconded the motion. The motion carried unanimously.

Presentation - Commissioner Ron Winterton, Duchesne County, UT

Commissioner Winterton provided an update on the economic state of Duchesne County. The basin is very resilient and has a UBATC College that is helping educate students in the technology, nursing and healthcare, and auto mechanic fields. The county is experiencing a decline in mining and construction jobs and an increase of entrepreneurs. 80% of Duchesne County's economy is dependent upon mining and oil production. Commissioner Winterton informed the Board that the commission is very involved with the community and that their economy is doing very well at this time.

Economic Report - Natalie Gochnour, Associate Dean of the David Eccles School of Business

Natalie Gochnour informed the GOED Board that the Utah economy is one of the top three in the nation, with an unemployment rate of 3.5% and a job growth rate of 3.9%. Natalie addressed three economic areas in her report: International integration, oil prices, and wage pressures. Utah's merchandise exports decreased by \$3,145 in 2013 and they mainly export primary metals, computers, and electronics. Utah's top ten purchasing companies are: Hong Kong, Canada, and the United Kingdom. The crude oil prices statewide and nationwide

have dropped below \$51.57 per barrel. Duchesne County is one of the oil and gas dependent counties in the nation. The current unemployment rate is 4% while the wage growth is about 3% in Utah.

GOED Update

Val Hale, Executive Director, provided the current bills that are being presented during the legislative session. SB18 addresses the recodification of GOED and passed successfully. Two bills address rural needs, HB87 and HB189, and are moving forward. HB22 for the tourism marketing performance fund has passed as well as SB107 which addresses computer science education and STEM. SB179, drafted by Senator Shiazowa, addresses the EDTIF program and its wage criteria. Ben Hart, Managing Director of Business Services, informed the GOED Board that the new Director for Rural Development has been selected and will be announced in the next 24 hours.

EDTIF- Black Diamond

Project Highlights

Timeline:	2015
Target Industry:	Outdoor Cluster and Manufacturing
Proposed Location(s):	Salt Lake County
Capital Investment:	\$7,760,000

Jobs & Revenue

Full time Incented jobs over project lifetime:	160
Total Jobs for the project:	169

The company will provide full time employees with comprehensive health and retirement benefits.

New State Wages & Revenue:

New State Wages over 7 years:	\$48,404,121
New State Revenue over 7 years:	\$2,354,980

Local Incentive

Salt Lake County is heavily engaged in this project and Mayor Ben McAdams has made this expansion a major priority. Christina Oliver is the lead on the local incentive and has met with the company on multiple occasions to discuss local property tax incentives and opportunities for further local support.

Proposed State Incentive

Total amount of EDTIF, post-performance refundable tax credit:	\$353,247
The amount represents the following percentage of new state revenues:	15%
Number of years that incentive is approved for:	7 years

Company Overview

Black Diamond Equipment is a manufacturer of specialized outdoor equipment for climbing, skiing and mountain sports. This company is very well situated for the Outdoor industry in Utah. The company also has global offices in Reinach, Switzerland and Zhuhai, China. The company is owned by Black Diamond, Inc., which also owns POC Sports, a large helmet manufacturer.

MOTION: Jerry Oldroyd motioned to approve Black Diamond for a \$353,247 EDTIF post-performance refundable tax credit which represents an amount equal to 15% of new state revenue for 7 years. Sam Granato Seconded the motion. The motion carried unanimously.

- Total EDTIF incentive not to exceed \$353,247 EDTIF post-performance refundable tax credit.
- Must meet new qualified employment projections, employee headcount at the stated wage % criteria at 50% for each project year.
- Annual total project average salary of new employees (not each new position, this is an aggregate annual number) to be at least 125% of the Salt Lake County average wage each including company contributed health insurance.
- Must commit to keep operation in Utah for the length of the incentive period, 7 years.
- Incentives are site specific and subject to local incentive participation.

Brad Peterson, Director of Outdoor Recreation, informed the GOED Board that Black Diamond has been a catalyst for the outdoor cluster in Utah. Black Diamond is leading the reshoring effort and moving soft goods, such as POC Helmets, into Utah.

Walter Wilhelm, VP of Business Operations for Black Diamond, said that the company moved to Utah 25 years ago because of the great business environment and the proximity to the sports in Utah. Black Diamond is currently the largest employer in Holladay, UT where they are headquartered. Black Diamond is reshoring their activities from China to Utah and is working with other companies in the area to help with their manufacturing.

Wim de Jager, Vice President of Manufacturing for Black Diamond, thanked the GOED Board, EDCUtah, and the city and county for their support with the project. Black Diamond is eager to expand even more in Utah.

iSchools Program

1. The Smart Schools program is jointly administered through GOED and the Utah State Office of Education (USOE). Per statute:
2. The Year 1 program was funded out of the IAF and is complete (with respect to funding).
3. The Year 2 program was funded through a direct appropriation of \$2.4 million and has approximately \$270k remaining.
4. GOED worked with USOE over the summer to have an application published to deploy the remaining Y2 funds.
5. USOE recommended that 2 schools participate in the program:
6. The IAF statute was amended last year to permit but not require GOED to continue funding the program through the IAF in an amount of up to \$3 million annually.
7. GOED staff recommends that GOED amend the Y2 contract to supplement it with IAF funding for Logan High and that GOED take over the performance review component of the program.

MOTION: Christopher M. Conabee motioned to approve a contract amendment up to \$1,400,000 with iSchool to be directed for smart school technology one-to-one device implementation in Logan High School.

Additionally, provide an efficacy evaluation of the Smart Schools program. Up to \$200,000 shall be used for an efficacy evaluation of the program to be determined, administered, and reviewed by GOED Executive Director.

The GOED Board calls upon the Utah State Legislature to change the existing code relative to the *Smart School Initiative* to allow program evaluation to be carried out by a third party evaluator and responsibility for this evaluation be administer by GOED.

Funding for deployment in Logan High School shall be out of the Industrial Assistance Fund, with matching funds from Logan High School. Funding for the efficacy evaluation shall also be from the Industrial Assistance Fund. Margaret Lasecke-Jacobs seconded the motion. The motion carried unanimously.

ED Zone- Oemeta

ESTABLISH AN ECONOMIC DEVELOPMENT ZONE FOR THE PURPOSE OF SUPPORTING THE RECRUITING OF OEMETA WITHIN SALT LAKE CITY AT 5655 W 610 S, SALT LAKE CITY, UTAH, 84104.

MOTION: JERRY OLDROYD MOTIONED TO APPROVE THE CREATION OF AN ECONOMIC DEVELOPMENT ZONE FOR SALT LAKE CITY IN SUPPORT OF THEIR LETTER OF REQUEST DETAILING THE RECRUITMENT OF OEMETA WITHIN SALT LAKE CITY AT 5565 W 610 S, SALT LAKE CITY, UTAH, 84104. PETER MOUSKONDIS SECONDED THE MOTION. THE MOTION CARRIED UNANIMOUSLY.

Economic Opportunity - Garfield County

The Rural Development office recommends an Economic Opportunity grant for Garfield County for the purpose of developing a comprehensive Economic Development Strategic Plan. The grant will only be issued if the following criteria are met

- The EDA must match the contribution
- Garfield County must match the funds
- Garfield County must come back one year later (February, 2016) and present its findings to the board.

Garfield County seeks a \$10,000 Economic Opportunity Grant to combine with \$25,000 in committed local funds and \$35,000 from the Economic Development Administration for total project funds of \$70,000.

MOTION: Jerry Oldroyd motioned to approve an Economic Opportunity Grant for Garfield County of \$10,000. Margaret Lasecke-Jacobs seconded the motion. The motion carried unanimously.

Film

Project Highlights

- Category: TV Pilot
- Genre: Drama
- Director: Josh Pate
- Producer: Tony Krantz, Josh Pate

Utah Jobs and Revenue

- Estimated Cast: 37
- Estimated Cast Average Salary: \$880/ day
- Estimated Crew: 149
- Estimated Crew Average Salary: \$490/ day
- Estimated Extras: 644
- Estimated Extras Average Salary: \$242/ day
- Length of Film Production: 15
- Estimated Spend: \$5,138,216

Project Schedule

- Prep: February 9th, 2015 through March 8th, 2015
- Principal Photography: March 9th, 2015 through March 27th, 2015
- Wrap: March 28th, 2015 through May 30th, 2015
- Post Production: March 28th, 2015 through May 30th, 2015

Motion Picture Advisory Committee Recommendation

Approved by the Motion Picture Advisory Committee (MPAC) February 5th, 2015

Proposed Motion:

Approve for Touchstone Television Productions, LLC dba ABC Studios, a Motion Picture Incentive Program post-performance tax credit of no more than \$1,027,643 (which represents 20% of dollars left in state) or no more than \$1,284,554 if additional criteria are satisfied (which represents 25% of the dollars left in state) for the production of "BOOM."

- Incentive offer based on receipt of a complete MPIP application including a script and proof of financing
- Must meet \$200,000 minimum dollars left in state to be eligible for the base line incentive of 20% of dollars left in state.
- Dollars left in state start date no earlier than 30 days prior to the Governor's Office of Economic Development Board of Directors approval.
- Touchstone Television Productions, LLC dba ABC may be eligible for an additional 5% incentive upon verification of meeting the criteria as adopted by the GOED Board and administered by the Governor's Office of Economic Development and the Utah Film Commission, including a \$1,000,000 minimum dollars left in state. Total incentive with this condition, if all terms are met to the satisfaction of the Utah Film Commission, shall not exceed \$1,284,554 (25% of the dollars left in state).

Project Highlights

- Category: Independent Feature
- Genre: Horror
- Director: Mikhail Kukushkin
- Producer: Yan Fisher Romanovsky

Utah Jobs and Revenue

- Estimated Cast: 5

• Estimated Cast Average Salary:	TBD
• Estimated Crew:	32
• Estimated Crew Average Salary:	\$200
• Estimated Extras:	5
• Estimated Extras Average Salary:	\$100
• Length of Film Production:	15 days
• Estimated Spend:	\$380,000

Project Schedule

• Prep:	February 20, 2015 through March 15, 2015
• Principal Photography:	March 16, 2015 through April 10, 2015
• Wrap:	April 13, 2015 through April 17, 2015
• Post Production:	April 13, 2015 through May 15, 2015

Motion Picture Advisory Committee Recommendation

Approved by the Utah Film Commission (UFC) February 5, 2015

Proposed Motion:

Approve for Mountain Lighting a Motion Picture Incentive Program post-performance tax credit up to \$76,000 (which represents 20% of dollars left in state) for the production of “Young Evil.”

- Incentive offer based on receipt of a complete MPIP application including a script and proof of financing
- Must meet \$200,000 minimum dollars left in state to be eligible for the incentive
- At least 85% of the production’s cast/crew must be Utah residents and/or Utah students.

Project Highlights

• Category:	Independent Feature
• Genre:	Drama
• Director:	Cameron Sawyer
• Producer:	Gary Groth

Utah Jobs and Revenue

• Estimated Cast:	54
• Estimated Cast Average Salary:	\$200/ day
• Estimated Crew:	36
• Estimated Crew Average Salary:	\$200/ day
• Estimated Extras:	340
• Estimated Extras Average Salary:	\$50/ day
• Length of Film Production:	23
• Estimated Spend:	\$285,000

Project Schedule

• Prep:	March 1, 2015 through April 9, 2015
• Principal Photography:	April 10, 2015 through May 2, 2015
• Wrap:	April 11, 2015 through April 15, 2015
• Post Production:	April 16, 2015 through August 15, 2015

Motion Picture Advisory Committee Recommendation

Approved by the Utah Film Commission (UFC) February 5, 2015

Proposed Motion:

Approve for Tim Timmerman, Hope of America, LLC a Motion Picture Incentive Program post-performance tax credit up to \$57,000 (which represents 20% of dollars left in state) for the production of “Tim Timmerman, Hope of America.”

- Incentive offer based on receipt of a complete MPIP application including a script and proof of financing
- Must meet \$200,000 minimum dollars left in state to be eligible for the incentive
- At least 85% of the production’s cast/crew must be Utah residents and/or Utah students.

Project Highlights

- Category: Independent Feature
- Genre: Action, Sci-Fi
- Director: Adam Randall
- Producer: Lucan Toh, Emily Leo, Tore Schmidt

Utah Jobs and Revenue

- Estimated Cast: 12
- Estimated Cast Average Salary: \$1,100/ day
- Estimated Crew: 70
- Estimated Crew Average Salary: \$250/ day
- Estimated Extras: 100
- Estimated Extras Average Salary: \$100/ day
- Length of Film Production: 24 days
- Estimated Spend: \$1,400,000

Project Schedule

- Prep: March 2, 2015 through April 2, 2015
- Principal Photography: April 7, 2015 through May 7, 2015
- Wrap: May 11, 2015 through May 22, 2015
- Post Production: May 11, 2015 through September 30, 2015

Motion Picture Advisory Committee Recommendation

Approved by the Motion Picture Advisory Committee (MPAC) February 5, 2015

Proposed Motion:

Approve for Crow Town Ventures, Inc. a Motion Picture Incentive Program post-performance tax credit of no more than \$280,000 (which represents 20% of dollars left in state) or no more than \$350,000 if additional criteria are satisfied (which represents 25% of the dollars left in state) for the production of "IBOY."

- Incentive offer based on receipt of a complete MPIP application including a script and proof of financing
- Must meet \$200,000 minimum dollars left in state to be eligible for the base line incentive of 20% of dollars left in state.
- Dollars left in state start date no earlier than 30 days prior to the Governor's Office of Economic Development Board of Directors approval
- Crow Town Ventures, Inc. may be eligible for an additional 5% incentive upon verification of meeting the criteria as adopted by the GOED Board and administered by the Governor's Office of Economic Development and the Utah Film Commission, including a \$1,000,000 minimum dollars left in state. Total incentive with this condition, if all terms are met to the satisfaction of the Utah Film Commission, shall not exceed \$350,000 (25% of the dollars left in state).

Project Highlights

- Category: Independent Feature
- Genre: Action/Adventure
- Director: Michael Winnick
- Producer: Ryan Noto

Utah Jobs and Revenue

- Estimated Cast: 41
- Estimated Cast Average Salary: \$783/ day
- Estimated Crew: 69
- Estimated Crew Average Salary: \$300/ day
- Estimated Extras: 150
- Estimated Extras Average Salary: \$150/ day
- Length of Film Production: 20 days
- Estimated Spend: \$1,165,308

Project Schedule

- Prep: February 4, 2015 through February 28, 2015
- Principal Photography: February 28, 2015 through March 28, 2015
- Wrap: March 28, 2015 through April 3, 2015
- Post Production: April 11, 2015 through June 4, 2015

Motion Picture Advisory Committee Recommendation

Approved by the Motion Picture Advisory Committee (MPAC) February 5, 2015

Proposed Motion:

Approve for Code of Honor Productions, LLC a Motion Picture Incentive Program post-performance tax credit of no more than \$233,062 (which represents 20% of dollars left in state) or no more than \$291,327 if additional criteria are satisfied (which represents 25% of the dollars left in state) for the production of “Code of Honor.”

- Incentive offer based on receipt of a complete MPIP application including a script and proof of financing
- Must meet \$200,000 minimum dollars left in state to be eligible for the base line incentive of 20% of dollars left in state.
- Dollars left in state start date no earlier than 30 days prior to the Governor’s Office of Economic Development Board of Directors approval
- Code of Honor Productions, LLC may be eligible for an additional 5% incentive upon verification of meeting the criteria as adopted by the GOED Board and administered by the Governor’s Office of Economic Development and the Utah Film Commission, including a \$1,000,000 minimum dollars left in state. Total incentive with this condition, if all terms are met to the satisfaction of the Utah Film Commission, shall not exceed \$291,327 (25% of the dollars left in state).

Project Highlights

- Category: Independent Feature
- Genre: Drama
- Director: Christian Vuissa
- Producer: Christian Vuissa

Utah Jobs and Revenue

- Estimated Cast: 22
- Estimated Cast Average Salary: \$200/ day
- Estimated Crew: 25
- Estimated Crew Average Salary: \$250/ day
- Estimated Extras: 100
- Estimated Extras Average Salary: \$75/ day
- Length of Film Production: 18
- Estimated Spend: \$250,000

Project Schedule

- Prep: XXX
- Principal Photography: XXX
- Wrap: XXX
- Post Production: XXX

Motion Picture Advisory Committee Recommendation

Approved by the Utah Film Commission (UFC) February 5, 2015

Proposed Motion:

Approve for Mirror Films, LLC a Motion Picture Incentive Program post-performance tax credit up to \$50,000 (which represents 20% of dollars left in state) for the production of “Book of Wishes.”

- Incentive offer based on receipt of a complete MPIP application including a script and proof of financing
- Must meet \$200,000 minimum dollars left in state to be eligible for the incentive
- At least 85% of the production’s cast/crew must be Utah residents and/or Utah students.

MOTION: Christopher M. Conabee motioned to approve all films for a post-performance tax credit. Bob Frankenberg seconded the motion. The motion carried unanimously.

Rural Fast Track

The Rural Development office recommends a Rural Fast Track grant for Maple Leaf Company, based in Ephraim, Sanpete County, for the purpose of purchasing and constructing additional storage and material handling equipment to handle business growth and provide a more economical way for receiving, cleaning, storing and bagging seed. The company expects to hire 4-5 new FTEs as a result of the expansion. The project is estimated to cost one hundred thirty-seven, six hundred forty-four dollars (\$137,644.).

MOTION: Peter Mouskondis motioned to endorse a Rural Fast Track Grant for Maple Leaf Company of \$50,000. Jake Boyer seconded the motion. The motion carried unanimously.

Meeting adjourned.